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RR RUEALIB ZNY CCCCC ZOC STATE ZZH STU5502 RR RUEHC DE RUEHJI #6887/01 2011140 ZNY CCCCC ZZH R 191137Z JUL 84 FM AMEMBASSY JIDDA TO RUEHC/SECSTATE WASHDC 6024 INFO RUQMBI/AMEMBASSY ABU DHABI 3818 RUEHAM/AMEMBASSY AMMAN 6727 RUFHRS/AMEMBASSY ALGIERS 1378 RUEEG/AMEMBASSY CAIRO 7097 RUEHDM/AMEMBASSY DAMASCUS 3654 RUEHDO/AMEMBASSY DOHA 2567 RUQMKW/AMEMBASSY KUWAIT 6771 RUFHRA/AMEMBASSY RABAT 1488 RUEHTU/AMEMBASSY TUNIS 1637 RUEHTV/AMEMBASSY TEL AVIV 3996 RUEHMA/AMEMBASSY MANAMA 3706 RUQMMT/AMEMBASSY MUSCAT 2649

EXDIS

E.O. 12356: DECL: DADR

RUEHMO/AMEMBASSY MOSCOW 0731 RUEHRH/USELO RIYADH 8584 RUEHAD/USINT BAGHDAD 4726 RUEHJM/AMCONSUL JERUSALEM 2274

TAGS: PREL, US, SA, XF, IS, OREP

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SUBJECT: STAFFDEL BANNERMAN/YOST: FOREIGN MINISTER HIGH-

LIGHTS SAUDI CONCERNS ABOUT EMBASSY TRANSFER

1. (C - ENTIRE TEXT.)

SUMMARY: DURING THEIR 75-MINUTE MEETING ON JULY 16, FOREIGN MINISTER SAUD AL FAISAL SET FORTH AT LENGTH FOR THE STAFFDEL AND THE AMBASSADOR THE APPREHENSION AND IN-COMPREHENSION WITH WHICH SAUDI ARABIA AND OTHER ARAB STATES WELL-DISPOSED TO THE U.S. VIEW POSSIBLE ACTION BY THE CON-GRESS ON TRANSFERRING THE U.S. EMBASSY TO JERUSALEM. HE SAID THAT KING FAHD WOULD BE HARD-PRESSED TO EXPLAIN ANY ACTION BY THE CONGRESS TO THE MUSLIM PILGRIMS WHO WILL BE HERE WHEN THAT ACTION IS MOST LIKELY TO TAKE PLACE. ACTION WOULD AFFECT BILATERAL RELATIONS. SAUD STATED FLATLY THAT SAUDI ARABIA WOULD BREAK FORMAL DIPLOMATIC RELATIONS WITH THE U.S. IF THE EMBASSY IS IN FACT MOVED. TRANSFERRING THE EMBASSY WOULD ALSO EFFECTIVELY END A DECADE OF SAUDI SUPPORT FOR U.S. EFFORTS TO FOSTER A NEGO-TIATED SETTLEMENT OF THE ARAB-ISRAELI CONFLICT WITHOUT THE SOVIETS, SAUD AFFIRMED. END SUMMARY.

3. FOREIGN MINISTER SAUD TOOK ADVANTAGE OF THE RETURN OF MESSRS. BANNERMAN AND YOST TO SAUDI ARABIA TO SET FORTH ELOQUENTLY SAUDI CONCERNS ABOUT THE JERUSALEM/EMBASSY

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TRANSFER LEGISLATION PENDING IN THE CONGRESS. (SAUD'S COM-MENTS ON IRAQ-IRAN WAR REPORTED BY SEPTEL.) TOLD THAT SOME FORM OF ACTION BY THE CONGRESS WAS PROBABLE THIS SUMMER OR FALL, SAUD SAID "I DO NOT KNOW HOW HIS MAJESTY WILL EXPLAIN TO THE 1.5 MILLION MUSLIM PILGRIMS WHO WILL BE HERE THEN WHY THE UNITED STATES TOOK THIS STEP." SAUD ASSERTED THAT ANY ACTION BY THE CONGRESS WOULD PUT ARAB GOVERNMENTS WELL-DISPOSED TO THE U.S. IN A VERY DIFFICULT POSITION. HE CITED EGYPT AS A COUNTRY WHICH HAD PUT ITS TIES WITH OTHER ARAB STATES AT RISK TO SUPPORT U.S. POLICY, AND MOROCCO AS A COUNTRY WHOSE KING HEADS THE OIC JERUSALEM COMMITTEE, AS AMONG THOSE NATIONS WHOSE GOVERNMENTS WOULD BE MOST SEVERELY TRIED. SAUD SAID HE COULD NOT CREDIT REPORTS FROM THE SAUDI EMBASSY IN WASHINGTON ASSERTING THAT SOME MEMBERS OF CONGRESS BELIEVE THAT THE ARAB STATES WILL NOT REACT STRONGLY TO CONGRESSIONAL ACTION ON THE JERUSALEM/EMBASSY ISSUE. SAUD SAID THAT NO ARAB COUNTRY VALUED ITS US TIES MORE THAN SAUDI ARABIA, BUT IF THE EMBASSY IS ACTUALLY MOVED "WE WILL BREAK RELATIONS."

- 4. SAUD NOTED, AS HE HAS ON EARLIER OCCASIONS, THAT SAUDIS GENERALLY DO NOT UNDERSTAND DISTINCTIONS BETWEEN LEGISLATION AND A NON-BINDING RESOLUTION. FROM THE SAUDI PERSPECTIVE, "THERE IS NO DIFFERENCE," ASSERTED SAUD. SAUD FOUND IT "INCOMPREHENSIBLE" THAT CONGRESSMEN WOULD CONTEMPLATE PASSING A BILL IN THE EXPECTATION OF A VETO BY THE PRESIDENT; THE ONLY RESULT SAUD COULD SEE WAS THAT THIS WOULD EMBARRASS THE U.S. AND ITS FRIENDS AND HARM U.S. INTERESTS THROUGHOUT THE MIDDLE EAST. SAUD SAID MEMBERS OF CONGRESS SHOULD NOT "DELUDE THEMSELVES" THAT THEY CAN TAKE STEPS SUCH AS THOSE NOW CONTEMPLATED WITHOUT AFFECTING U.S./ARAB RELATIONS. THE SAUDI AUTHORITIES HAD MADE GREAT EFFORTS TO MINIMIZE POPULAR AWARENESS OF THE PENDING LEGISLATION -- AN EFFORT WHICH DEMONSTRATED THAT SAUDI ARABIA SOUGHT TO MAINTAIN ITS CLOSE TIES TO THE U.S.
- 5. CONCEDING THAT SAUDI ARABIA HAD BEEN UNABLE FULLY TO SUPPORT U.S. EFFORTS TO FOSTER A NEGOTIATED SETTLEMENT OF THE ARAB-ISRAELI CONFLICT, AS HAD EGYPT, SAUD NONETHELESS ASSERTED THAT SAUDI ARABIA HAD GENERALLY FAVORED THE U.S. EFFORT OVER THE LAST DECADE TO FOSTER, UNDER U.S. AUSPICES, A NEGOTIATED SETTLEMENT OF THE ARAB-ISRAELI CONFLICT, WITHOUT A SOVIET ROLE. CONGRESSIONAL ACTION ON THE JERUSALEMO EMBASSY LEGISLATION -- EVEN THOUGH IT MIGHT HAVE NO PRACTICAL EFFECT -- WOULD UNDERMINE U.S. INTERESTS, STANDING, AND PERCEIVED IMPARTIALITY. THE ACTUAL SHIFT OF THE EM-

BASSY, SAUD WENT ON, WOULD "KILL" U.S. EFFORTS TO FURTHER THE PEACE PROCESS. ARABS WOULD CONCLUDE THAT THE U.S. WAS NO LONGER AN IMPARTIAL MEDIATOR, THAT IT ACTED EVEN AGAINST ITS OWN INTERESTS AT ISRAELI BEHEST.

- 6. THE AMBASSADOR REITERATED STRONG ADMINISTRATION OPPO-SITION TO ANY ACTION ON THE JERUSALEM/EMBASSY PROPOSALS NOW PENDING. HE WAS UNABLE TO ELICIT FROM SAUD A REACTION TO THE IDEA THAT THE SENTIMENT OF THE CONGRESS MIGHT BE EXPRESSED MERELY IN A LETTER TO THE PRESIDENT. SAUD RE-PEATED THAT CONGRESSMEN MUST BE MADE AWARE THAT THEY COULD NOT TAKE SAUDI ARABIA AND OTHER ARAB STATES FOR GRANTED: HOWEVER RELUCTANTLY, GOVERNMENTS IN THOSE STATES WOULD HAVE TO REACT TO ACTIONS BY THE CONGRESS ON THIS ISSUE.
- 7. COMMENT: IN BLURRING THE DIFFERENCE -- WHICH HE UNDERSTANDS -- BETWEEN A RESOLUTION AND LEGISLATION MANDATING TRANSFER OF THE EMBASSY, WE BELIEVE SAUD WAS OVER-STATING HIS CASE TO BRING HOME TO HIS VISITORS FROM THE CONGRESS THE VERY GENUINE CONCERN OF THE SAUDI LEADERSHIP OVER ANY FORM OF HILL ACTION AT THIS PARTICULARLY DELICATE JUNCTURE. HIS ASSERTION THAT ANY ACTION BY THE CONGRESS WOULD AFFECT

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BILATERAL RELATIONS IS PLAUSIBLE, BUT THERE IS NO REASON TO BELIEVE THAT THE SAUDIS WOULD GO THE ENTIRE DISTANCE TO BREAK DIPLOMATIC RELATIONS EXCEPT IN REACTION TO THE ACTUAL TRANSFER OF THE EMBASSY. THEY WOULD TAKE THIS STEP ONLY IN CONCERT WITH OTHER ARAB/ISLAMIC STATES, WE BELIEVE. END COMMENT.

- 8. STAFFDEL HAS CLEARED THIS MESSAGE.
- 9. KUWAIT MINIMIZE CONSIDERED. CUTLER END OF MESSAGE CONFIDENTIAL

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